

Minutes of APUC Board Meeting held at 12:30 on Monday 20 August 2018

At Dumfries and Galloway College, Dumfries Campus

Present

Jim McGeorge (Chair/JM)	University of Dundee
Sheena Stewart (SS)	Abertay University
Carol Turnbull (CT)	Dumfries and Galloway College
Pete Smith (PS)	Borders College
Phil McNaull (PM)	University of Edinburgh
Fiona Gavine (FG)	Independent
Douglas MacKellar (DM)	Independent
Stuart Paterson (SP)	Independent
Angus Warren (AW)	APUC Ltd (Chief Executive)

In attendance

Claire Skinner (CS)	APUC Ltd (for agenda item 11 only)
Elizabeth McFarlane (EM)	APUC Ltd (via teleconference for agenda item 6 only)
Norice Bain (NB)	APUC Ltd (minute)
Martin Fairbairn (MF)	SFC via Skype

Welcome and Apologies

1. Apologies for absence were received from Janet Thomson, Glasgow Clyde College and Mike Caithness, APUC.
2. The Chair introduced Phil McNaull and thanked him for joining the Board. There was a round the table introduction to allow PM to become familiar with the other Board members and their backgrounds.
3. Chair noted that EM would join the meeting via teleconference to present the Financial Management report.

Minutes of Previous Board Meeting

4. Minutes of the May 2018 Board meeting were approved.

Matters Arising: APUC/11/2018

5. All mattering were dealt with as per the Board Matters Arising paper
6. Re:(47) The Board agreed that inviting key external practitioners to present at Board meetings every 6-12 months would add value. **Action:** Suggestions to be sent to AW by Board where applicable.

Summary Report: APUC/12/2018

Summary Report Format

7. Formatting on the front page of the report has been updated incorporating long term deliverables in the strategy and traffic light ratings have been introduced signifying the status of these.
8. MF's suggestion to include figures on the plan has been actioned.
9. All members approved the new format of the summary report, which they considered was very useful.

Cyber Essential+

10. Work continues to progress with Cyber Essentials Plus. Two-factor Authentication has been rolled out across the company, with the next step being to encrypt all hard drives. Some systems (for example finance systems) may not be compatible with this. This will be an issue for institutions across the sector as it is a requirement for all publicly-funded bodies to comply with Cyber Essentials+. Testing of systems used by APUC will be part of the preparation activities.

Edinburgh Office

11. A negotiation of a reduced service charge and physical reduction in the amount of space has allowed APUC to remain in the same address in George Street. This had avoided infrastructure costs of around £4k which would have been required to install fibre in new premises and also meant the disruption associated with moving had been avoided, while at the same time delivering the required savings.
12. A meeting room has been built within the large office area in room 4.04 which will accommodate 6 people.

LUPC & SUPC

13. AW advised that well over 65% of spend from the English Sector is with LUPC & SUPC member institutions. The two consortia had explored increased collaboration but had decided to enhance joint working rather than to merge. LUPC are keen on wider collaboration and AW indicated that there is already enhanced collaboration between them and APUC and this is hoped to increase.
14. Both LUPC and SUPC have interim heads and they may appoint a single Chief Executive to operate both organisations.
15. AW will continue to work closely with the new leadership. DM enquired about the risk of others using APUC technology. AW confirmed APUC assets are protected under the Collaborative Contracting Protocol document and if applicable other collaboration agreements.

General

16. The new HR system (YouManage) is now live. Julia Edgar implemented the system single-handed and the system went live on schedule on 1/8/18. The system offers greater functionality and a staff self-service portal for the same costs as the previous absence management system. Members congratulated Julia on her efforts.
17. Tayside Regional Procurement team has been set up, led by Mhairi Chalk who also will act as Head of Procurement for Abertay University. Rhona Munro has joined APUC as Procurement Manager for Dundee and Angus College. The group are also working with the University of Dundee where appropriate.

18. SRUC has produced its annual report and this has been shared with the sector.
19. The APUC conference was a sell out again this year. **[Action: AW to share the Client Satisfaction Survey and feedback from the conference with the Board.]**
20. eSolutions have developed a contract management system which APUC plans to integrate with Sustain.
21. The Board asked whether the spend data used by the company still came from the government data Hub. AW advised that the data goes to the Hub in parallel as required by Scot-Gov, but that APUC extract and process finance system data directly (not via the Hub) into a new APUC system and can now drill-down to a greater level of granularity using APUC data than can be provided by the Hub. The APUC system also includes all institutions whereas only circa 50% of institutions are required / permitted to load data into the Hub.
22. Graduate and Supply Chain Specialist roles have been recruited to and are proving a good route to get more people working in procurement.
23. Permanent funding for the collaboration role has been approved by the HE/FE FCG – the service will be known as the Collaboration Catalyst with the permanent role redefined as the Collaboration Manager. Norice Bain has been appointed in this role. The Board felt that the collaborative approach could meet the needs of the institutions very well.
24. Government funding has been provided to APUC to collate the response and provide collective support for the sectors' compliance with the Cyber Resilience Public Sector Action Plan. Terry Trundley will be working on this to gather data and report to Scottish Government on behalf of the sector and to identify support needs and implement them.

Cost Sharing Group

25. AW updated the Board on the latest status of the dialogue with HMRC regarding Cost Sharing Groups including APUC lodging a case at the Tax Tribunal.
26. AW advised he has a slot at the forthcoming SUFDG meeting to liaise with the University FD community and enquired of PS when the next FD's CDN group meeting was. PM confirmed that it was due in October/November and it was agreed that AW would liaise with Stuart Thompson (Chair) regarding obtain a discussion slot.
27. It was agreed that a paper appropriate to the domain was created.
28. Members noted that there may be a requirement to have a special meeting with the FCG to discuss options, a view that was supported by MF as the preferred way forward from a SFC perspective.
29. JM asked if there was anything further by way of support and assistance that AW required from the Board. AW indicated that he felt fully supported and aware of the Board's views and would take these to the FCG and report back.
30. **[Action: when detailed information obtained, AW to prepare an options paper for the Funding Consultation Group and meet to discuss this if applicable, with the outcome fed back at the Board.]**

Financial Management Report

31. EM presented Financial Management Report APUC/14/2018. Income was £108k less than budget, with the main difference being £72k in deferred income. FG asked for some clarity on the deferred income, which EM explained in detail – it being recognised that this was mainly due to timings and there was no issue with outstanding debtors.
32. There was movement within the deferred income due to InfoSec money not being utilised – this will be addressed in 18/19.
33. EM is preparing a list of deferrals for Chair of Board approval.
34. Thereafter the Board noted that the forecast out-turn was for income to exceed expenditure by £129k, which represented an increase from the budgeted surplus of £39k. Members welcomed the strong performance against budget.

HEFESTIS Ltd.

35. New company HEFESTIS was setup and semi-operational from 1 August 2018. The company operates under the same structure as APUC. Existing employee contracts have been issued for transfer across to HEFESTIS and novation agreements have been issued to institutions, although staff remain being managed via the APUC Payroll until all the administrative changes have been put in place.
36. The only member so far is APUC, which has agreed the £1 dilution of liability. AW is caretaking the Board.
37. AW advised that once the formal Board members are in place later in the year a decision can be taken whether to use APUC back office services and systems in the long term.
38. EM will be issuing HEFESTIS invoices shortly, services thereafter being billed in advance.
39. JM advised he would be happy to chair the interim HEFESTIS board, unless there is a feeling that this would be too close to APUC. AW advised that all APUC Board members are eligible to take part in the interim Board if their institution uses DPO-Share or CISO-Share services and they sign the one-page membership agreement.

Gender Statistics Update

40. The annual Gender Statistics Report was produced in August. This was reviewed by the Board and it was felt that APUC's equality processes were working effectively.

Brexit Impacts

41. APUC are in dialogue with Scottish Government but, as yet, there is no clarity on the impacts given current uncertainty.
42. If there is a 'hard' Brexit, Scottish Government could lose control over procurement law and it is unclear which laws would then apply. PM asked if Thursday's papers would add clarity and what the objective position is - it was felt these would not provide clarity on this as the approach was part of the Supreme Court challenge. AW advised that they were commencing some scenario planning within APUC and hoped that a cross public sector group would be

established shortly to explore collective approaches. [**Action: AW will keep the group informed on actions required for Brexit outcome.**]

Business Continuity

43. AW indicated that he hoped the circulated Business Continuity Plan (APUC/16/2018) provided the Board with assurance for service and staffing continuity.
44. AW highlighted that the APUC infrastructure had moved to the cloud in 2 phases. Firstly, moving email to Office 365 hosted by Microsoft within the EU to comply with Data Protection regulations, and secondly moving data to SharePoint.
45. Historical data which remains on APUC's server will be deleted shortly.
46. The finance system remains on the server as MS Dynamics requires a particular server environment, but other options are being explored for this.
47. Internet connectivity has been upgraded to fibre in all 3 offices as the 2 broadband lines proved insufficient for requirements. The broadband lines are used as backup provision.
48. With the new infrastructure/ technology, location is now irrelevant as long as staff have access to the internet from their APUC laptop, because all systems and data can be accessed through direct connect. During the recent heavy snowfalls in March 2018 there was no loss of service as all staff were able to work remotely.
49. For long term staff absences roles would be switched to best effect continuation of service.
50. The biggest staff risk at the moment was highlighted by AW along with details of the steps currently being taken by him to enhance resilience of this area. JM suggested a potential back-up option which AW would explore.
51. All APUC business processes have been documented and published on SharePoint by K Simpson. These are currently being updated post GDPR.

Workstream Update – Operational Procurement (presentation by Claire Skinner)

52. APUC now have 39 staff based in 29 institutions
53. There is a good understanding of the sectors requirements.
54. C1 collaboration is mainly a coordination role which also conducts mini competitions and smaller tenders on behalf of the sector.
55. There will be a different approach to the Contract Priorities Workshop this year which will involve various workshops on key topics.
56. The Contract Uptake Tool has been developed to include spend, which prompts queries with suppliers / institutions as there should only be spend if the institution is using the agreement and vice versa.
57. CS is responsible for the account management for all Universities with individual meetings taking place with the Heads of Procurement quarterly (the Senior College Service Managers provide this for Colleges as more detailed support is provided for these institutions)

58. CS represents APUC at the Collaborative Leads Group. The Benefits Reporting Methodology has been reviewed and now includes a BT14 sustainability-based benefit.
59. CS is the Chair of the Joint Contracting Group which has representation from all UK HE/FE Consortia. Some contracts do not lend themselves to a UK wide agreement (e.g. Furniture where APUC are keen to offer Scottish SME suppliers the opportunity to tender).
60. All existing Framework Agreements have been reviewed to identify whether they are in scope for GDPR. Working with Thornton's Law, terms and conditions have been updated and requests have been made to suppliers to confirm how they are handling personal data types. This is now 75% complete and suppliers will be advised that if they do not respond they risk being removed from the Frameworks.
61. There is a defined Responsible Procurement Manager in each category driving sustainability, evaluating suppliers on Sustain, creating action plans and sharing best practice.
62. Sustainable procurement is also promoted via the quarterly Category Bulletins.
63. The Contract management process is in place, which has 3 levels of management. The contract management tool will diarise supplier meetings depending on level of management. All Frameworks have a Framework Account Manager. DM enquired as to whether this was a named person in the tender as he felt that these individuals being labelled 'Supplier Relationship Manager' for each Framework would be a great benefit for suppliers. **[Action: AW/CS to look into renaming category account manager "Supplier Relationship Manager".]**
64. As APUC tracks spend by supplier, this gives the ability to identify spend which could be collaborative. Stephen Richardson has developed a contract uptake tool which will compare Institutional financial data with MI spend and hopes to identify quick wins. FG enquired if CS has an idea of how much savings might increase as a result and CS commented her gut feel would be a maximum of 50-60% based on that level of increased usage. SS asked how institutions would take this forward and CS advised that APUC will be promoting this to all the sector as the spend data is fed from Hunter automatically.

Any Other Business

- 65 JM offered a huge thanks to Stuart Paterson who was attending his final Board meeting for his outstanding contribution to APUC which has been very much appreciated. SP commented "APUC is a job well done from a rocky start and I have enjoyed being part of it". All board members joined JM in thanking SP and wished him all the very best. A farewell lunch for Stuart would be arranged.
- 66 There being no further business, the meeting closed at 15:10.

Date of next meeting

The next Board meeting will be held on 20 November, University of Edinburgh, Chamber Street 12:30pm start (lunch to be provided)

Dates for the remaining 2018 calendar

Audit Committee: 9 October, Chiene + Tait, Edinburgh

UCSS Board: 9 October, Chiene + Tait, Edinburgh